



General Assembly

January Session, 2013

***Raised Bill No. 6321***

LCO No. 2570



Referred to Committee on INSURANCE AND REAL  
ESTATE

Introduced by:  
(INS)

***AN ACT REQUIRING CERTAIN DISCLOSURES FOR LONG-TERM  
CARE POLICIES.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (c) of section 38a-501 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2013*):

4 (c) (1) No such company, society, corporation or center may deliver  
5 or issue for delivery any long-term care policy without providing, at  
6 the time of solicitation or application for purchase or sale of such  
7 coverage, full and fair written disclosure of the benefits and limitations  
8 of the policy.

9 (A) Such disclosure shall include:

10 (i) A statement that the policy may be subject to rate increases in the  
11 future;

12 (ii) An explanation of potential future premium rate revisions and  
13 the policyholder's option in the event of a premium rate revision;

14     (iii) The premium rate or rate schedule applicable to the applicant  
 15     that will be in effect until a request is made by such company, society,  
 16     corporation or center for a revision to such rate or rate schedule;

17     (iv) An explanation of how a premium rate or rate schedule revision  
 18     will be applied that includes a description of when such rate or rate  
 19     schedule revision will be effective and the policyholder's right to such  
 20     revised rate or rate schedule; and

21     (v) Information regarding each premium rate increase, if any, over  
 22     the past ten years on such policy form or similar policy forms for this  
 23     state or any other state, that identifies, at a minimum, (I) the policy  
 24     forms for which premium rates have been increased, (II) the calendar  
 25     years when each such policy form was available for purchase, and (III)  
 26     the amount or percentage of each increase. The percentage may be  
 27     expressed as a percentage of the premium rate prior to the increase or  
 28     as minimum and maximum percentages if the rate increase is variable  
 29     by rating characteristics.

30     (B) The applicant shall sign an acknowledgment at the time of  
 31     application for such policy that the company, society, corporation or  
 32     center has provided the written disclosure required under this  
 33     subsection to the applicant. If the method of application does not allow  
 34     for such signature at the time of application, the applicant shall sign  
 35     such acknowledgment not later than at the time of delivery of such  
 36     policy.

37     (2) If the offering for any long-term care policy includes an option  
 38     for the elimination period specified in subdivision (1) of subsection (a)  
 39     of this section, the application form for such policy and the face page  
 40     of such policy shall contain a clear and conspicuous disclosure that the  
 41     irrevocable trust may not be sufficient to cover all costs during the  
 42     elimination period.

43     Sec. 2. Subsection (c) of section 38a-528 of the general statutes is  
 44     repealed and the following is substituted in lieu thereof (*Effective*

45 *October 1, 2013*):

46 (c) No such company, society, corporation or center may deliver or  
47 issue for delivery any long-term care policy without providing, at the  
48 time of solicitation or application for purchase or sale of such coverage,  
49 full and fair disclosure of the benefits and limitations of the policy.  
50 [The provisions of this subsection shall not be applicable to: (1) Any  
51 long-term care policy which is delivered or issued for delivery to one  
52 or more employers or labor organizations, or to a trust or to the  
53 trustees of a fund established by one or more employers or labor  
54 organizations, or a combination thereof, for employees or former  
55 employees or a combination thereof or for members or former  
56 members or a combination thereof, or the labor organizations; and (2)  
57 noncontributory plans.]

58 (1) Such disclosure shall include:

59 (A) A statement that the policy may be subject to rate increases in  
60 the future;

61 (B) An explanation of potential future premium rate revisions and  
62 the policyholder's or certificate holder's option in the event of a  
63 premium rate revision;

64 (C) The premium rate or rate schedule applicable to the applicant  
65 that will be in effect until a request is made by such company, society,  
66 corporation or center for a revision to such rate or rate schedule;

67 (D) An explanation of how a premium rate or rate schedule revision  
68 will be applied that includes a description of when such rate or rate  
69 schedule revision will be effective and the policyholder's right to such  
70 revised rate or rate schedule; and

71 (E) Information regarding each premium rate increase, if any, over  
72 the past ten years on such policy form or similar policy forms for this  
73 state or any other state, that identifies, at a minimum (i) the policy  
74 forms for which premium rates have been increased, (ii) the calendar

75 years when each such policy form was available for purchase, and (iii)  
 76 the amount or percentage of each increase. The percentage may be  
 77 expressed as a percentage of the premium rate prior to the increase or  
 78 as minimum and maximum percentages if the rate increase is variable  
 79 by rating characteristics.

80 (2) The applicant shall sign an acknowledgment at the time of  
 81 application for such policy that the company, society, corporation or  
 82 center has provided the written disclosure required under this  
 83 subsection to the applicant. If the method of application does not allow  
 84 for such signature at the time of application, the applicant shall sign  
 85 such acknowledgment not later than at the time of delivery of such  
 86 policy.

87 (3) The policyholder shall provide to each eligible individual a copy  
 88 of the disclosure.

89 Sec. 3. Section 38a-458 of the general statutes is amended by adding  
 90 subsection (e) as follows (*Effective October 1, 2013*):

91 (NEW) (e) Any life insurance policy with long-term care benefits  
 92 issued pursuant to this section shall comply with the disclosure  
 93 requirements set forth in subdivision (1) of subsection (c) of section  
 94 38a-501, as amended by this act, or subsection (c) of section 38a-528, as  
 95 amended by this act, as applicable.

96 Sec. 4. Section 38a-458a of the general statutes is repealed and the  
 97 following is substituted in lieu thereof (*Effective October 1, 2013*):

98 (a) Notwithstanding the provisions of sections 38a-430, 38a-481 and  
 99 38a-501, as amended by this act, or any regulation adopted pursuant to  
 100 said sections, an insurer licensed for both life and health insurance in  
 101 this state may combine the following coverages, by rider or otherwise,  
 102 within a single-premium policy or contract: (1) Life or endowment  
 103 insurance or annuity, survivorship annuity or pure endowment  
 104 insurance; and (2) long-term care insurance.

105        (b) Any insurer that combines long-term care insurance coverage  
106        with other coverages, as set forth in subsection (a) of this section, shall  
107        comply with the disclosure requirements set forth in subdivision (1) of  
108        subsection (c) of section 38a-501, as amended by this act, or subsection  
109        (c) of section 38a-528, as amended by this act, as applicable.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2013</i>	38a-501(c)
Sec. 2	<i>October 1, 2013</i>	38a-528(c)
Sec. 3	<i>October 1, 2013</i>	38a-458
Sec. 4	<i>October 1, 2013</i>	38a-458a

Section 1	<i>October 1, 2013</i>	38a-501(c)
Sec. 2	<i>October 1, 2013</i>	38a-528(c)
Sec. 3	<i>October 1, 2013</i>	38a-458
Sec. 4	<i>October 1, 2013</i>	38a-458a

***INS***        *Joint Favorable*